

~~§ 32.5124 Video program grade long distance private network revenue.~~

This account consists of revenue from private network circuits and facilities furnished for television program transmission purposes, such as commercial broadcast an educational or private television services. It includes revenue from the provision of facilities for the transmission of analog signals between customer premises and a) a serving office, b) a carrier distribution point or c) an extension distribution channel furnished in connection with such services. It also includes revenue from both the picture and sound portions of transmission for television program service when provided under a combined rate schedule.

~~§ 32.5125 Digital transmission grade long distance private network revenue.~~

This account consists of revenue from the provision of circuits and facilities for the transmission of digital signals only.

~~§ 32.5126 Long distance private network switching revenue.~~

This account consists of revenue derived from the provision of common user channels and switching capabilities used for the transmission of telecommunication signals between three (3) or more points in the network. Also included is revenue derived from the provision of basic switching and transfer arrangements used to connect private line channels

~~§ 32.5128 Other long distance private network revenue.~~

This account consists of revenue from administrative and operation support services associated with private network services and facilities, e.g., charges for company-directed testing, expedited installation, and service restoration priority. Also included is other private network services revenue not provided for in other accounts.

~~§ 32.5129 Other long distance private network revenue settlements.~~

~~This account shall include the charges and credits resulting from contractual revenue pooling and/or sharing agreement for tariffed long distance private network services only when they are not identifiable by private network services revenue account in the settlement process. (See also § 32.4999(e) of this subpart.) To the extent that the charges and credits resulting from a settlement process can be identified by private network services revenue account, that shall be recorded in the applicable account.~~

~~§ 32.5160 Other long distance revenue.~~

~~This account shall include long distance revenues not provided for elsewhere.~~

~~§ 32.5169 Other long distance revenue settlements.~~

~~This account shall include the charges and credits resulting from contractual revenue pooling and/or sharing agreements for tariffed long distances public network services only when they are not identifiable by long distance public network services revenue accounts in the settlement process. (See also § 32.4999(e) of this subpart.) To the extent that the charges and credits resulting from a settlement process can be identified by long distance public network services revenue account they shall be recorded in the applicable account.~~

§ 32.5200 Miscellaneous revenue.

~~Class B telephone companies shall use~~ this account *shall be used* for revenues of the type and character ~~required of Class A companies in Accounts 5230 through 5270, listed below.~~

~~§ 32.5230 Directory revenue.~~

This account shall include revenue derived from alphabetical and classified sections of directories and shall also include fees paid by other entities for the right to publish the company's directories. Items to be included are:

- (a) All revenue derived from the classified section of the directories;
- (b) Revenue from the sale of new telephone directories whether they are the company's own directories or directories purchased from others. This shall also include revenue from the sale of specially bound telephone directories and special telephone directory covers;
- (c) Amounts charged for additional and bold face listings, marginal displays, inserts, and other advertisements in the alphabetical section of the company's telephone directories; and
- (d) Charges for unlisted and non-published telephone numbers.

~~§ 32.5240 Rent revenue.~~

(a) This account shall include revenues (including taxes when borne by the lessee) derived from the rental or subrental to others of telecommunications services rendered by the company. It includes revenue from the rent of such items as space in conduit, pole line space for attachments, and any allowance for return on property used in joint operations and shared facilities agreements.

(b) The expense of maintaining and operating the rented property, including depreciation and insurance, shall be included in the appropriate operating expense accounts. Taxes applicable to the rented property shall be included by the owner of the rented property in appropriate tax accounts.

(c) When land or buildings are rented on an incidental basis for non-telecommunications use the rental and expenses are included in Account ~~7360, Other Nonoperating Income, 7300, Nonoperating Income and Expense.~~

~~§ 32.5250 Corporate operations revenue.~~

This account shall include revenue derived from services rendered to other companies under a license agreement, general service contracts, or other arrangement provided for the furnishing of general accounting, financial, legal, patent, and other general services associated with the provision of regulated telecommunications services. ~~(See also Accounts 5230 and 5270.)~~

~~§ 32.5260 Miscellaneous revenue.~~

~~This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 5261 through 5269.~~

~~§ 32.5261 Special billing arrangements revenue.~~

This account shall include revenue derived from the provision, either under tariff or through contractual arrangements, of special billing information to customers in the form of magnetic tapes, cards or statements. Special billing information provides detail in a format and/or at a level of detail not normally provided in the standard billing rendered for the regulated telephone services utilized by the customer.

~~§ 32.5262 Customer operations revenue.~~

This account shall include revenue derived from the performance of customer operations services for others incident to the company's regulated telecommunications operations which are not provided for elsewhere. (See also § 32.14(e) and 32.4999(e) of this part.)

~~§ 32.5263 Plant operations revenue.~~

(a) This account shall include revenue derived from contract services (plant maintenance) performed for others incident to the company's regulated telecommunications operations. This includes revenue from the incidental performance of nontariffed operating and maintenance activities for others which are similar in nature to those activities which are performed by the company in operating and maintaining its own telecommunications plant facilities.

~~(b) The records supporting the entries in this account shall be maintained with sufficient particularity to identify the revenue and associated Plant Specific Operations Expenses related to each undertaking.~~

~~(c) This account does not include revenue related to the performance of operation or maintenance activities under a joint operating agreement. (See also Account 5240.)~~

~~§ 32.5264 Other incidental regulated revenue.~~

(a) This account shall include the other incidental regulated revenue not provided for in other Revenues accounts. Such revenues to be included are:

(1) Collection overages (collection shall be charged to Account ~~6623, Customer Services~~ **6620 Customer Operations Services**.)

(2) Unclaimed refunds for telecommunications services when not subject to escheats;

(3) Charges (penalties) imposed by the company for customer checks returned for nonpayment;

(4) Discounts allowed customers for prompt payment;

(5) Late-payments charges;

(6) Revenue from private mobile telephone services which do not have access to the public switched network; and

(7) Other incidental revenue not provided for elsewhere in other Revenue accounts.

(b) Any definitely known amounts of losses of revenue collections due to fire or theft,

(1) at customers' coin-box stations,

(2) at public or semipublic telephone stations,

(3) in the possession of collectors en route to collection offices,

(4) on hand at collection offices, and

(5) between collection offices and banks shall be charged to Account ~~6728, Other General and Administrative~~ **6720 General and Administrative Expense**.

~~§ 32.5269 Other revenue settlements.~~

This account shall include the charges and credits resulting from contractual revenue pooling and/or sharing agreements for activities included in the miscellaneous revenue accounts only when they are not identifiable by miscellaneous revenue account in the settlement process. (See also § 32.4999(e) of this subpart.) To the extent that the charges and credits resulting from a settlement process can be identified by miscellaneous revenue accounts they shall be recorded in the applicable account.

~~§ 32.5270 Carrier billing and collection revenue.~~

This account shall include revenue derived from the provision of billing and collection services to other telecommunications companies. This includes amounts charged for services such as

message recording, billing, collection, billing analysis, and billing information services, whether rendered under tariff or contractual arrangements.

§ 32.5280 Nonregulated operating revenue.

(a) This account shall include revenues derived from a nonregulated activity involving the common or joint use of assets or resources in the provision of regulated and nonregulated products or services, ~~which are not provided for elsewhere in this system of accounts.~~ *Revenues from nontariffed activities offered incidental to tariffed services may be accounted for as regulated revenues, provided the activities are outgrowths of regulated operations and the revenues do not exceed, in the aggregate, one percent of total revenues for three consecutive years*

(b) This account shall be debited and regulated revenue accounts shall be credited at tariffed rates when tariffed services are provided to nonregulated activities that are accounted for as prescribed in § 32.23(c) of this subpart.

~~(c) separate subsidiary record categories shall be maintained for each nonregulated revenue item recorded in this account.~~

§ 32.5300 Uncollectible revenue.

This account number shall be used by ~~Class A telephone companies to summarize for reporting purposes the contents of Accounts 5301 and 5302.~~ ~~Class B telephone companies shall use this account for revenues of the type and character required of Class A companies in Accounts 5301 and 5302, listed below.~~

~~§ 32.5301 Uncollectible revenue—telecommunications.~~

This account shall be charged with amounts concurrently credited to Account 1181, Accounts Receivable Allowances-Telecommunications.

~~§ 32.5302 Uncollectible revenue—other.~~

This account shall be charged with amounts concurrently credited to Account 1190, Other Accounts Receivable, or to Account 1191, Accounts Receivable Allowance-Other, when such allowance is maintained.

Subpart E - Instructions for Expense Accounts.

§ 32.5999 General.

(a) Structure of the expense accounts.

(1) The expense section of the system of accounts shall be organized by ~~expense group summary account, account, and subsidiary record category (if required).~~

~~(2) The expense section of this system of accounts shall be comprised of four major expense groups Plant Specific Operations, Plant Nonspecific Operations, Customer Operations and Corporate Operations. Expenses to be recorded in Plant Specific and Plant Nonspecific Operations Expense Groups generally reflect cost associated with the various kinds of equipment identified in the plant asset accounts. Expenses to be recorded in the Customer Operations and Corporate Operations accounts reflect the costs of, or as associated with, functions performed by people, irrespective of the organization in which any particular function is performed~~

~~(3) Summary accounts within expense groups shall be used to describe aggregations of two or more accounts having a certain commonality. Summary accounts are assigned numbers so that they may be used by Class A telephone companies to aggregate accounts for reporting purposes; and as specifically directed, so that they may be used as accounts by Class B telephone companies.~~

(4) Accounts shall be maintained as prescribed in this section subject to the conditions described in § 32.13 in Subpart B. ~~Subsidiary record categories may be required below the account level by this system of accounts or by Commission order.~~

~~(b) Plant Specific Operations Expense.~~

~~(1) The Plant Specific Operations Expense accounts, 6110 through 6441 are used to record costs related to specific kinds of telecommunications plant.~~

~~(2) The Plant Specific Operations Expense accounts predominantly mirror the telecommunications plant in service detail accounts and are numbered consistently with them; the first digit of the expense account being six (6) and the remaining digits being the same as the last three numbers of the related plant account. In classifying Plant Specific Operations expenses, the text of the corresponding plant account should be consulted to ensure appropriateness.~~

~~(3) The Plant Specific Operations Expense accounts shall include the costs of inspecting, testing (except as specified in Account 6533, Testing Expense and reporting on the condition of telecommunications plant to determine the need for repairs, replacements, rearranges and changes; performing routine work to prevent trouble except as specified in Account 6533, replacing items of plant other than retirement units; rearranging and changing the location of plant not retired; repairing material for reuse; restoring the condition of plant damaged by storms, floods, fire, or other casualties (other than the cost of replacing retirement units); inspecting after repairs have been made; and receiving training to perform these kinds of work. Also included are the costs of direct supervision (immediate or first level) and office support of this work.~~

~~(4) In addition to the activities specified in paragraph (b)(3) of this section, the appropriate Plant Specific Operations Expense accounts shall include the cost of personnel whose principal job is the operation of plant equipment, such as general purpose computer operators, aircraft pilots, chauffeurs and shuttle bus drivers. However, when the operation of equipment is performed as part of other identifiable functions (such as the use of office equipment, capital tools or motor vehicles) the operators' cost shall be charged to accounts appropriate for those functions. (For costs of operator services personnel, see Accounts 6621, Call Completion Services, and 6622, Number Services, and for costs of test board personnel see Account 6533.)~~

~~(c) Plant Nonspecific Operations Expense. The Plant Nonspecific Operations Expense accounts shall include expenses related to property held for future telecommunications use, provisioning expenses, network operations expenses, and depreciation and amortization expenses. Accounts in this group (except for Accounts 6540, Access Expense, and Accounts 6560 through 6565) shall include the costs of performing activities described in narratives for individual accounts. These costs shall also include the costs of supervision and office support of these activities.~~

~~(d) Customer Operations Expense. The Customer Operations Expense accounts shall include the cost of performing customer related marketing and services activities described in narratives for individual accounts. These costs shall also include the costs of supervision, office support and training for these activities.~~

~~(e) Corporate Operations Expense. The Corporate Operations Expense accounts shall include the costs of performing executive and planning activities and general and administrative activities described in narratives for individual accounts. These costs shall also include the costs of supervision, office support and training for these activities.~~

~~(f) Expense Matrix. The expense accounts shall be maintained by the following subsidiary record categories, as appropriate to each account. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.~~

~~(1) Salaries and wages. This subsidiary record category shall include compensation to employees, such as; wages, salaries, commissions, bonuses, incentive awards and termination payments.~~

~~(2) Benefits. This subsidiary record category shall include payroll related benefits on behalf of employees such as the following:~~

- ~~Pensions~~
- ~~Savings plan contributions (company portion)~~
- ~~Workers compensation required by law~~
- ~~Life, hospital, medical, dental, and vision plan insurance~~
- ~~Social Security and other payroll taxes~~

~~(3) Rents.~~

~~(i) This subsidiary record category shall include amounts paid for the use of personal operating property. Amounts paid for real property shall be included in Account 6121, Land and Buildings Expense. This category includes payments for operating leases but does not include payments for capital leases.~~

~~(ii) This subsidiary record category is applicable only to the Plant Specific~~

~~Operations Expense accounts. Incidental rents, e.g., short term rental car expense, shall be categorized as Other Expenses (see paragraph (f)(4) of this section) under the account which reflects the function for which the incidental rent was incurred.~~

~~(4) Other expenses. This subsidiary record category shall include costs which cannot be classified to the other subsidiary record categories. Included are material and supplies, including provisioning (note also Account 6512, Provisioning Expense); contracted services; accident and damage payments; insurance premiums; traveling expenses and other miscellaneous costs.~~

~~(5) Clearances. This subsidiary record category shall include amounts transferred to Construction accounts (see § 32.2000 (c)(2)(iii)), or other Plant Specific Operations Expense accounts, and/or Account 3100, Accumulated Depreciation (cost of removal; see § 32.2000(g)(1)(iii)), as appropriate, from Accounts 6112, Motor Vehicle Expense, 6113, Aircraft Expense, 6114, Special Purpose Vehicles Expense, 6116, Other Work Equipment Expense, 6534, Plant Operations Administration Expense, and 6535, Engineering Expense. There shall also be transfers to Construction or other Plant Specific Operations Expense accounts, as appropriate, from Account 6512, Provisioning Expense. With respect to these expenses, companies may establish such clearing accounts as they deem necessary to accomplish substantially the same results, provided that within 30 days of the opening of such accounts, companies shall notify the Commission of the nature and purpose thereof. Additional clearing accounts affecting other expense areas may be established with prior approval of the Commission. Should companies elect, the initial incurred subsidiary record category identification may be carried through to the final accounts without this Commission's approval.~~

(g) Reimbursements. Reimbursements of actual costs incurred in connection with joint operations or projects, repairing plant due to damages by others, and obligations to make changes in telecommunications plant (such as highway relocations). shall be credited to the accounts originally charged.

(h) Expense accounts to be maintained.

<u>Account Title</u>	<u>Class A Account</u>	<u>Class B Account</u>
INCOME STATEMENT ACCOUNTS		
Plant specific operations expense:		
Network support expense	6110 ^{1,2}	6110
Motor vehicle expense	6112 ¹	
Aircraft expense	6113 ¹	
Special purpose vehicles expense	6114 ¹	
Garage work equipment expense	6115 ¹	
Other work equipment expense	6116 ¹	
General support expenses	6120 ^{1,2}	6120

¹ ~~Subsidiary record categories required in accordance with § 32.5999(f) of this subpart.~~

² ~~To be used by Class A telephone companies to summarize accounts for reporting purposes~~

§ 32.5999

General. (Cont'd)

<u>Account Title</u>	<u>Class A Account</u>	<u>Class B Account</u>
Plant specific operations expense: (Cont'd)		
Land and building expenses	6121⁺	
Furniture and artworks expense	6122⁺	
Office equipment expense	6123⁺	
General purpose computers expense	6124⁺	
Central office switching expense	6210 ⁺²	6210
Analog electronic expense	6211⁺	
Digital electronic expense	6212⁺	
Electro mechanical expense	6215⁺	
Operators system expense	6220 ⁺	6220
Central office transmission expenses	6230 ⁺²	6230
Radio systems expense	6231⁺	
Circuit equipment expense	6232⁺	
Information origination/termination expense	6310 ⁺²	6310
Station apparatus expense	6311⁺	
Large private branch exchange expense	6341⁺	
Public telephone terminal equipment expense	6351⁺	
Other terminal equipment expense	6362⁺	
Cable and wire facilities expenses	6410 ⁺²	6410
Poles expense	6411⁺	
Aerial cable expense	6421⁺	
Underground cable expense	6422⁺	
Buried cable expense	6423⁺	
Submarine cable expense	6424⁺	
Deep sea cable expense	6425⁺	
Intrabuilding network cable expense	6426⁺	
Aerial wire expense	6431⁺	
Conduit systems expense	6441⁺	
Plant nonspecific operations expense:		
Other property plant and equipment expenses	6510 ⁺²	6510
Property held for future Telecommunications use expense	6511⁺	
Provisioning expense	6512⁺	
Network operations expenses	6530 ⁺²	6530
Power expense	6531⁺	
Network administration expense	6532⁺	
Testing expense	6533⁺	
Plant operations administration expense	6534⁺	
Engineering expense	6535⁺	
Access expense	6540 ¹	6540

¹ ~~Subsidiary record categories required in accordance with § 32.5999(f) of this subpart.~~

² ~~To be used by Class A telephone companies to summarize accounts for reporting purposes.~~

<u>Account Title</u>	<u>Class A</u> <u>Account</u>	<u>Class B</u> <u>Account</u>
Plant nonspecific operations expense: (Cont'd)		
Depreciation and amortization expenses	6560 ²	6560
Depreciation expense telecommunications		
plant in service	6561	
Depreciation expense property held for		
future telecommunications use	6562	
Amortization expense tangible	6563	
Amortization expense intangible	6564	
Amortization expense other	6565	
Customer operations expense:		
Marketing	6610 ^{1,2}	6610
Product management	6611¹	
Sales	6612 ¹	
Product advertising	6613¹	
Services	6620 ^{1,2}	6620
Call completion services	6621¹	
Number services	6622¹	
Customer services	6623¹	
Corporate operations expense:		
Executive and planning	6710 ^{1,2}	6710
Executive	6711¹	
Planning	6712¹	
General and administrative	6720 ^{1,2}	6720
Accounting and finance	6721¹	
External relations	6722¹	
Human resources	6723¹	
Information management	6724¹	
Legal	6725¹	
Procurement	6726¹	
Research and development	6727¹	
Other general and administrative	6728¹	
Provision for uncollectible notes receivable	6790	6790

¹ ~~Subsidiary record categories required in accordance with § 32.5999(f) of this subpart.~~

² ~~To be used by Class A telephone companies to summarize accounts for reporting purposes.~~

§ 32.6110 Network support expenses.

~~(a) This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 6112 through 6116. Class B telephone companies shall use this account for expenses of the type and character required of Class A companies in Accounts 6112 through 6116, listed below.~~

~~(b) Credits shall be made to this account by Class B companies for amounts transferred to Construction and/or other Plant Specific Operations Expense accounts. These amounts shall be computed on the basis of direct labor hours. (See also § 32.5999(f)(5) of this subpart.)~~

~~§ 32.6112 Motor vehicle expense.~~

~~(a) This account shall include costs of fuel, lubrications, license and inspection fees, washing, repainting, and minor accessories. Also included are the costs of personnel whose principal job is operating motor vehicles, such as chauffeurs and shuttle bus drivers. The costs of users of motor vehicles whose principal job is not the operation of motor vehicles shall be charged to accounts appropriate for the activities performed.~~

~~(b) credits shall be made to this account for amounts transferred to Construction and/or to other Plant Specific Operations Expense accounts. These amounts shall be computed on the basis of direct labor hours. (See also § 32.5999(f)(5) of this subpart.)~~

~~§ 32.6113 Aircraft expense.~~

~~(a) This account shall include such costs as aircraft fuel, flight crews, mechanics and ground crews, licenses and inspection fees, washing, repainting, and minor accessories.~~

~~(b) credits shall be made to this account for amounts transferred to Construction and/or to other Plant Specific Operations Expense accounts. These amounts shall be computed on the basis of direct labor hours. (See also § 32.5999(f)(5) of this subpart.)~~

~~§ 32.6114 Special purpose vehicles expense.~~

~~(a) This account shall include such costs as fuel, licenses and inspection fees, washing, repainting, and minor accessories. The costs of operators of this equipment shall be charged to accounts appropriate for the activities performed.~~

~~(b) credits shall be made to this account for amounts transferred to Construction and/or to other Plant Specific Operations Expense accounts. These amounts shall be computed on the basis of direct labor hours. (See also § 32.5999(f)(5) of this subpart.)~~

~~§ 32.6115 Garage work equipment expense.~~

This account shall be charged only with costs incurred in connection with the garage work equipment itself. ~~The costs of using this equipment to maintain motor vehicles, special purpose vehicles, or other work equipment shall be charged to Accounts 6112, Motor Vehicles, 6114 Special Purpose Vehicles, or 6116 Other Work Equipment, as appropriate.~~

~~§ 32.6116 Other work equipment expense.~~

(a) This account shall be charged only with costs incurred in connection with this work equipment itself. ~~The costs of operators of this equipment shall be charged to accounts appropriate for the activities performed.~~

~~_____ (b) credits shall be made to this account for amounts transferred to Construction and/or to other Plant specific Operations Expense accounts. These amounts shall be computed on the basis of direct labor hours. (See also § 32.5999(f)(5) of this subpart.)~~

§ 32.6120 General support expenses.

This account number shall be used ~~by Class A telephone companies to summarize for reporting purposes the contents of Accounts 6121 through 6124. Class B telephone companies shall use this account~~ for expenses of the type and character ~~required of Class A companies in Accounts 6121 through 6124. listed below~~

~~§ 32.6121 Land and building expense.~~

(a) This account shall include expenses associated with land and buildings (excluding amortization of leasehold improvements). This account shall also include janitorial service, cleaning supplies, water, sewage, fuel and guard service, and electrical power.

(b) The cost of electrical power used to operate the telecommunications network shall be charged to Account ~~6531, Power Expense~~ **6530, Network Operations Expense**, and the cost of separately metered electricity used for operating specific types of equipment, such as computers, shall be charged to ~~the expense account appropriate for such use. this expense account.~~

~~§ 32.6122 Furniture and artworks expense.~~

This account shall include expenses associated with furniture and artworks.

~~§ 32.6123 Office equipment expense.~~

This account shall be charged only with costs incurred in connection with the office equipment itself. The costs of operators of this equipment shall be charged to accounts appropriate for the activities performed.

~~§ 32.6124 General purpose computers expense.~~

This account shall include costs of personnel whose principal job is the physical operation of general purpose computers and the maintenance of operating systems. This excludes the cost of preparation of input data or the use of outputs which are chargeable to the accounts appropriate for the activities being performed. Also excluded are costs incurred in planning, developing, testing, implementing, and maintaining data bases and application systems for general purpose computers. (See also Account ~~6724, Information Management~~ 6720, *General and Administrative*.) ~~Separately metered electricity for general purpose computers shall also be included in this account.~~

§ 32.6210 Central office switching expense.

This account number shall be used ~~by Class A telephone companies to summarize for reporting purposes the contents of Accounts 6211 through 6215. Class B telephone companies shall use this account for expenses of the type and character required of Class A companies in Accounts 6211 through 6215. listed below.~~

~~§ 32.6211 Analog electronic expense.~~

This account shall include expenses associated with analog electronic switching.

~~§ 32.6212 Digital electronic expense.~~

This account shall include expenses associated with digital electronic switching.

~~§ 32.6215 Electro-mechanical expense.~~

(a) This account shall include expenses associated with electro-mechanical switching.

~~(b) subsidiary record categories shall be maintained as provided in § 32.2215(a) of Subpart C.~~

§ 32.6220 Operator systems expense.

This account shall include expenses associated with operator systems equipment.

§ 32.6230 Central office transmission expense.

~~This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 6231 and 6232. Class B telephone companies shall use this account for expenses of the type and character required of Class A companies in Accounts 6231 and 6232, listed below.~~

~~§ 32.6231 Radio systems expense.~~

~~(a) This account shall include expenses associated with radio systems.~~

~~(b) subsidiary record categories shall be maintained as provided in § 32.2231(a) of Subpart C.~~

~~§ 32.6232 Circuit equipment expense.~~

This account shall include expenses associated with circuit equipment.

§ 32.6310 Information origination/termination expense.

~~This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 6311 through 6362. Class B telephone companies shall use this account for expenses of the type and character required of Class A telephone companies in Accounts 6311 through 6362, listed below.~~

~~§ 32.6311 Station apparatus expense.~~

This account shall include expenses associated with station apparatus. Expenses associated with company internal use communication equipment shall be recorded in Account ~~6123, Office Equipment Expense.~~ 6120, *General Support Expense*.

~~§ 32.6341 Large private branch exchange expense.~~

This account shall include expenses associated with large private branch exchanges. Expenses associated with company internal use communication equipment shall be recorded in Account ~~6123, Office Equipment Expense.~~ 6120, *General Support Expense*.

~~§ 32.6351 Public telephone terminal equipment expense.~~

This account shall include expenses associated with public telephone terminal equipment.

~~§ 32.6362 Other terminal equipment expense.~~

This account shall include expenses associated with other terminal equipment.

§ 32.6410 Cable and Wire facilities expense.

~~This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 6411 through 6426. Class B telephone companies shall use this account for expenses of the type and character required of Class A companies in Accounts 6411 through 6426, listed below.~~

~~§ 32.6411 Poles expense.~~

This account shall include expenses associated with poles.

~~§ 32.6421 Aerial cable expense.~~

~~(a) This account shall include expenses associated with aerial cable.~~

~~(b) subsidiary record categories shall be maintained as provided in § 32.2421(a) of Subpart C.~~

~~§ 32.6422 Underground cable expense.~~

~~(a) This account shall include expenses associated with underground cable.~~

~~(b) subsidiary record categories shall be maintained as provided in § 32.2422(a) of Subpart C.~~

~~§ 32.6423 Buried cable expense.~~

~~(a) This account shall include expenses associated with buried cable.~~

~~(b) subsidiary record categories shall be maintained as provided in § 32.2423(a) of Subpart C.~~

~~§ 32.6424 Submarine cable expense.~~

~~(a) This account shall include expenses associated with submarine cable.~~

~~(b) subsidiary record categories shall be maintained as provided in § 32.2424(a) of Subpart C.~~

~~§ 32.6425 Deep sea cable expense.~~

~~(a) This account shall include expenses associated with deep sea cable.~~

~~(b) subsidiary record categories shall be maintained as provided in § 32.2425(a) of Subpart C.~~

~~§ 32.6426 Intrabuilding network cable expense.~~

(a) This account shall include expenses associated with intrabuilding network cable.

~~(b) subsidiary record categories shall be maintained as provided in § 32.2426(a) of Subpart C.~~

~~§ 32.6431 Aerial wire expense.~~

This account shall include expenses associated with aerial wire.

~~§ 32.6441 Conduit systems expense.~~

This account shall include expenses associated with conduit systems.

§ 32.6510 Other property, plant and equipment expense.

~~This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 6511 and 6512. Class B telephone companies shall use this account for expenses of the type and character required of Class A companies in Accounts 6511 and 6512, listed below.~~

~~§ 32.6511 Property held for future telecommunications use expense.~~

This account shall include expenses associated with property held for future telecommunications use.

~~§ 32.6512 Provisioning expense.~~

(a) This account shall include costs incurred in provisioning material and supplies, including office supplies. This includes receiving and stocking, filling requisitions from stock, monitoring and replenishing stock levels, delivery of material, storage, loading or unloading and administering the reuse or refurbishment of material. Also included are adjustments resulting from the annual or more frequent inventory of material and supplies.

(b) credits shall be made to this account for amounts transferred to construction and/or to plant specific operations expense. These costs are to be cleared by adding to the cost of material and supplies a suitable loading charge. ~~(See also § 32.5999(f)(5) of this subpart.)~~

§ 32.6530 Network operations expense.

~~This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 6531 through 6535. Class B telephone companies shall use this account for expenses of the type and character required of Class A companies in Accounts 6531 through 6535, listed below.~~

~~§ 32.6531 Power expense.~~

This account shall include the cost of electrical power used to operate the telecommunications network.

~~§ 32.6532 Network administration expense.~~

This account shall include costs incurred in network administration. This includes such activities as controlling traffic flow, administering traffic measuring and monitoring devices, assigning equipment and load balancing, collecting and summarizing traffic data, administering trunking, and assigning interoffice facilities and circuit layout work.

~~§ 32.6533 Testing expense.~~

This account shall include costs incurred in testing telecommunications facilities from a testing facility (test desk or other testing system) to determine the condition of plant on either a routine basis or prior to assignment of the facilities; receiving, recording and analyzing trouble reports; testing to determine the nature and location of reported trouble condition; and dispatching repair persons or otherwise initiating corrective action. (Note also § 32.5999(b)(3) of this subpart.)

~~§ 32.6534 Plant operations administration expense.~~

(a) This account shall include costs incurred in the general administration of plant operations. This includes supervising plant operations (except as specified in § 32.5999(a)(3) of this subpart); planning, coordinating and monitoring plant operations; and performing staff work such as developing methods and procedures, preparing and conducting training (except on-the-job training) and coordinating safety programs.

(b), credits shall be made to this account for amounts transferred to Construction accounts. These amounts shall be computed on the basis of direct labor hours. ~~(See § 32.2000(c)(2)(ii) of Subpart C.)~~

~~§ 32.6535 Engineering expense.~~

(a) This account shall include costs incurred in the general engineering of the telecommunications plant which are not directly chargeable to an undertaking or project. This includes developing input to the fundamental planning process, performing preliminary work or advance planning in connection with potential undertakings, and performing special studies of an engineering nature.

(b) credits shall be made to this account for amounts transferred to Construction accounts. These amounts shall be computed on the basis of direct labor hours. ~~(See § 32.2000(c)(2)(ii) of Subpart C.)~~

§ 32.6540 Access expense.

(a) This account shall include amounts paid by interexchange carriers or other exchange carriers to another exchange carrier for the provision of carrier's carrier access.

~~(b) Subsidiary record categories shall be maintained in order that the entity may separately report interstate and intrastate carrier's carrier expense. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.~~

§ 32.6560 Depreciation and amortization expenses.

This account shall be used by ~~Class A telephone companies to summarize for reporting purposes the contents of Accounts 6561 through 6565. Class B telephone companies shall use this account~~ for expenses of the type and character ~~required of Class A companies in Accounts 6561 through 6565. listed below.~~

~~§ 32.6561 Depreciation expense telecommunications plant in service.~~

This account shall include the depreciation expense of capitalized costs in Accounts ~~2112 through 2441, inclusive. 2001 and 2002..~~

~~§ 32.6562 Depreciation expense property held for future telecommunication use.~~

~~This account shall include the depreciation expense of capitalized costs included in Account 2002, Property Held for Future Telecommunications Use~~

~~§ 32.6563 Amortization expense tangible.~~

~~This account shall include only the amortization of costs included in Accounts 2681, Capital Leases, and 2682, Leasehold Improvements.~~

~~§ 32.6564 Amortization expense intangible.~~

~~This account shall include the amortization of costs included in Account 2690, Intangibles.~~

~~§ 32.6565 Amortization expense other.~~

~~(a) This account shall include only the amortization of costs included in Account 2005, Telecommunications Plant Adjustment.~~

~~(b) This account shall also include lump sum write offs of amounts of plant acquisition adjustment as provided for in § 32.2005(b)(3) of Subpart C.~~

~~(c) subsidiary records shall be maintained so as to show that character of the amounts contained in this account.~~

§ 32.6610 Marketing.

~~This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 6611 through 6613. Class B telephone companies shall use this account for expenses of the type and character required of Class A companies in Accounts 6611 through 6613, listed below.~~

~~§ 32.6611 Product management.~~

This account shall include costs incurred in performing administrative activities related to marketing products and services. This includes competitive analysis, product and service identification and specification, test market planning, demand forecasting, product life cycle analysis, pricing analysis, and identification and establishment of distribution channels.

~~§ 32.6612 Sales.~~

This account shall include costs incurred in selling products and services. This includes determination of individual customer needs, development and presentation of customer proposals, sales order preparation and handling, and preparation of sales records.

~~§ 32.6613 Product advertising.~~

This account shall include costs incurred in developing and implementing promotional strategies to stimulate the purchase of products and services. This excludes nonproduct-related advertising, such as corporate image, stock and bond issue and employment advertisements, which shall be included in the appropriate functional accounts.

§ 32.6620 Services.

~~This account shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 6621 through 6623. Class B telephone companies shall use this account for expenses of the type and character required of Class A companies in Accounts 6621 through 6623. Listed below.~~

~~§ 32.6621 Call completion services.~~

This account shall include costs incurred in helping customers place and complete calls, except directory assistance. This includes handling and recording; intercept; quoting rates, time and charges; and all other activities involved in the manual handling of calls.

~~§ 32.6622 Number services.~~

This account shall include costs incurred in providing customer number and classified listings. This includes preparing or purchasing, compiling, and disseminating those listings through directory assistance or other means.

~~§ 32.6623 Customer services.~~

(a) This account shall include costs incurred in establishing and servicing customer accounts. This includes:

- (1) Initiating customer service orders and records;
- (2) Maintaining and billing customer accounts;
- (3) Collecting and investigating customer accounts, including collecting revenues, reporting receipts, administering collection treatment, and handling contacts with customers regarding adjustments of bills;
- (4) Collecting and reporting pay station receipts; and
- (5) Instructing customers in the use of products and services.

(b) This account shall also include amounts paid by interexchange carriers or other exchange carriers to another exchange carrier for billing and collection services. ~~Subsidiary record categories shall be maintained in order that the entity may separately report interstate and intrastate amounts. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.~~

§ 32.6710 Executive and planning.

This account shall be ~~used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 6711 and 6712. Class B telephone companies shall use this account for expenses of the type and character required of Class A companies in Accounts 6711 and 6712, listed below.~~

~~§ 32.6711 Executive.~~

This account shall include costs incurred in formulating corporate policy and in providing overall administration and management. Included are the pay, fees and expenses of boards of directors or similar policy boards and all board-designated officers of the company and their office staffs, e.g., secretaries and staff assistants.

~~§ 32.6712 Planning.~~

This account shall include costs incurred in developing and evaluating long-term courses of action for the future operations of the company. This includes performing corporate organization and integrated long-range planning, including management studies, options and contingency plans, and economic strategic analysis.

§ 32.6720 General and administrative.

This account shall be used ~~by Class A telephone companies to summarize for reporting purposes the contents of Accounts 6721 through 6728. Class B telephone companies shall use this account for expenses of the type and character required of Class A companies in Accounts 6721 through 6728 listed below.~~

~~§ 32.6721 Accounting and finance.~~

This account shall include costs incurred in providing accounting and financial services. Accounting services include payroll and disbursements, property accounting, capital recovery, regulatory accounting (revenue requirements, separations, settlements and corollary cost accounting), non-customer billing, tax accounting, internal and external auditing, capital and operating budget analysis and control, and general accounting (accounting principles and procedures and journals, ledgers, and financial reports). Financial services include banking operations, cash management, benefit investment fund management (including actuarial services), securities management, debt trust administration, corporate financial planning and analysis, and internal cashier services.

~~§ 32.6722 External relations.~~

This account shall include costs incurred in maintaining relations with government, regulators, other companies and the general public. This includes:

(a) Reviewing existing or pending legislation (See also Account ~~7370, Special Charges 7300, Nonoperating Income and Expense~~ Lobbying expenses.);

(b) Preparing and presenting information for regulatory purposes, including tariff and service cost filings, and obtaining radio licenses and construction permits;

(c) Performing public relations and non-product-related corporate image advertising activities;

(d) Administering relations, including negotiating contracts ~~(See also Account 6725, Legal), with telecommunications companies and other utilities, businesses, and industries. This excludes sales contracts (See also Account 6612, Sales); and~~

(e) Administering investor relations.

~~§ 32.6723 Human resources.~~

This account shall include costs incurred in performing personnel administration activities. This includes:

- (a) Equal Employment Opportunity and Affirmative Action Programs;
- (b) Employee data for forecasting, planning and reporting;
- (c) General employment services;
- (d) Occupational medical services;
- (e) Job analysis and salary programs;
- (f) Labor relations activities;
- (g) Personnel development and staffing services, including counseling, career planning, promotion and transfer programs;
- (h) Personnel policy development;
- (i) Employee communications;
- (j) Benefit administration;
- (k) Employee activity programs;
- (l) Employee safety programs; and
- (m) Nontechnical training course development and presentation.

~~§ 32.6724 Information management.~~

~~This account shall include costs incurred in planning, developing, testing, implementing and maintaining data bases and application systems for general purpose computers.~~

~~§ 32.6725 Legal.~~

This account shall include costs incurred in providing legal services. this includes conducting and coordinating litigation, providing guidance on regulatory and labor matters, preparing, reviewing and filing patents and contracts and interpreting legislation. Also included are court costs, filing fees, and the costs of outside counsel, depositions, transcripts and witnesses.

~~§ 32.6726 Procurement.~~

This account shall include costs incurred in procuring material and supplies, including office supplies. This includes analyzing and evaluating suppliers' products, selecting appropriate suppliers, negotiating supply contracts, placing purchase orders, expediting and controlling orders placed for material, developing standards for material purchased and administering vendor or user claims.

~~§ 32.6727 Research and development.~~

(a) This account shall include costs incurred in making planned search or critical investigation aimed at discovery of new knowledge. It also includes translating research findings into a plan or design for a new product or process or for a significant improvement to an existing product or process, whether intended for sale or use.

~~(b) This excludes making routine alterations to existing products, processes, and other ongoing operations even though those alterations may represent improvements.~~

~~§ 32.6728 Other general and administrative.~~

This account shall include costs incurred in performing general administrative activities not directly charged to the user, and not provided for in other accounts. This includes providing general reference libraries, food services (e.g., cafeterias, lunch rooms and vending facilities), archives, general security investigation services, operating official private branch exchanges in the conduct of the business, and telecommunications and mail services. Also included are payments in settlement of accident and damage claims, insurance premiums for protection against losses and damages, direct benefit payments to or on behalf of retired and separated employees, accident and sickness disability payments, supplemental payments to employees while in governmental service, death payments, and other miscellaneous costs of a corporate nature. This account excludes the cost of office services, which are to be included in the accounts appropriate for the activities supported.

§ 32.6790 Provision for uncollectible notes receivable.

This account shall be charged with amounts concurrently credited to Account 1200, Notes Receivable, or to Account 1201, Notes Receivable Allowance, when such allowance is maintained.

Subpart F - Instructions for Other Income Accounts

§ 32.6999 General.

(a) Structure of Other Income Accounts. The Other Income Accounts are designed to reflect both operating and nonoperating income items including taxes, extraordinary items and other income and expense items not properly included elsewhere.

(b) Other Income Accounts Listing.

Account Title	Class A Account	Class B Account
Other Operating Income and Expense:		
Other operating income and expense	7100 ⁺	7100
Income from custom work	7110	
Return from nonregulated use of regulated facilities	7130	
Gains and losses from foreign exchange	7140	
Gains or losses from disposition of land and artwork	7150	
Other operating gains and losses	7160	
Operating Taxes:		
Operating taxes	7200 ⁺	7200
Operating investment tax credits - net	7210	
Operating federal income taxes	7220	
Operating state and local income taxes	7230	
Operating other taxes	7240	
Provision for deferred operating income taxes - net	7250	
Nonoperating Income and Expense:		
Nonoperating income and expense	7300 ⁺	7300
Dividend income	7310	
Interest income	7320	
Income from sinking and other funds	7330	
Allowance for funds used during construction	7340	
Gains or losses from the disposition of certain property	7350	
Other nonoperating income	7360	
Special charges	7370	

⁺ ~~To be used by Class A companies to summarize accounts for reporting purposes.~~

Account Title	Class A Account	Class B Account
Nonoperating taxes:		
Nonoperating taxes	7400 [†]	7400
Nonoperating investment tax credits — net	7410	
Nonoperating federal income taxes	7420	
Nonoperating state and local income taxes	7430	
Nonoperating other taxes	7440	
Provision for deferred nonoperating income		
— taxes — net	7450	
Interest and Related Items:		
Interest and related items	7500 [†]	7500
Interest on funded debt	7510	
Interest expense — capital leases	7520	
Amortization of debt issuance expense	7530	
Other interest deductions	7540	
Extraordinary Items:		
Extraordinary items	7600 [†]	7600
Extraordinary income credits	7610	
Extraordinary income charges	7620	
Current income tax effect of extraordinary		
— items — net	7630	
Provision for deferred income tax effect of		
— extraordinary items — net	7640	
Jurisdictional Differences and nonregulated income		
— items:		
Income effect of jurisdictional ratemaking		
differences — net	7910	7910
Nonregulated net income	7990	7990

[†] — To be used by Class A companies to summarize accounts for reporting purposes.

§ 32.7099 Contents of accounts.

Other Operating Income and Expense accounts are intended to record the results of transactions, events or circumstances during the periods which are incidental or peripheral to the major or central operations of the company. They shall include all items of an operating nature as incidental work performed for others not provided for elsewhere. Whenever practicable the inflows and outflows